

Amendment No. 1 to HB2973

Winningham
Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 2793*

House Bill No. 2973

By deleting all language after the enacting clause and by substituting instead the following language:

SECTION 1. Tennessee Code Annotated, Section 8-27-303(a)(1)(A), is amended by deleting the language "on the total cost of such person's participation in the basic insurance plan." and by substituting instead the following language:

on the total cost of such person's participation in the basic insurance plan; provided, that in any year the state contribution shall not be less than fifty percent (50%) of the total cost of such person's participation in the basic insurance plan.

SECTION 2. Tennessee Code Annotated, Section 8-27-303, is amended by deleting subsection (j) in its entirety and substituting the following:

(j) Beginning July 1, 2008, each local education agency shall pay on behalf of each eligible employee, as defined in Section 8-27-302(e)(2), participating in the health insurance coverage authorized by Section 8-27-302(a), as a minimum the percent specified in the general appropriations act of the premium collected on behalf of such employee. If during the 2007-2008 fiscal year the LEA paid less than eighty percent (80%) of the premium collected on behalf of such employee, then increased state Basic Education Program funds for the fiscal year 2008-2009 generated by the "insurance premium" component shall be used to increase the LEA payment on behalf of each participating employee who received less than eighty percent (80%). If during the 2007-2008 fiscal year the LEA paid at least eighty percent (80%) of the premium collected on behalf of such employee, then increased state Basic Education Program funds for the 2008-2009 fiscal year generated by the "insurance premium" component shall be used to increase professional employee compensation or fringe benefits. Distribution of a like

amount to each eligible employee through a flexible spending arrangement authorized by Section 125 of the federal Internal Revenue Code shall satisfy the requirement of this subsection (j). Such amounts shall be certified to the commissioner of education and director of each local education agency by the local education insurance committee each fiscal year.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.